

Remarks at APEC SME Competitiveness Through Clean Growth Forum, Big Sky, Montana

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Good afternoon everyone. It's great to be here in beautiful, if snowy, Big Sky, Montana. On behalf of the U.S. Department of Commerce and the Obama administration, it's my honor to welcome all of you today.

I am also joined by my other administration colleagues:

- Ginger Lew, from the White House National Economic Council; and
- Peggy Philbin, Deputy Director of the U.S. Trade and Development Agency.

Both of these agencies exemplify how the U.S. government is working to support the growth of small and medium-sized businesses in the United States and in our APEC partner economies.

I'd like to thank:

- Senators Max Baucus and Jon Tester;
- Governor Brian Schweitzer;
- The State of Montana; and
- The Big Sky Resort...for their hospitality this week.

I'd also like to add my congratulations on Montana being recognized by the U.S. Chamber of Commerce as the top state in the nation for starting and growing a business.

This is a place that obviously knows something about entrepreneurship and exports, so it's very appropriate that we are meeting here this week to discuss these issues with our counterparts from the 20 other APEC member economies.

Last November, when President Obama was in Yokohama for the 2010 APEC Leaders' meeting, he spoke about the transformative economic miracle that we have seen in APEC member economies over the past few decades.

He said:

“Countries where people once lived on a few dollars a day are now some of the fastest-growing economies in the world, with incomes and living standards that few could have imagined 40 or 50 years ago.”

Today, the Asia-Pacific is the most economically dynamic region in the world.

Home to nearly 3 billion people, the 21 member economies represent about 54 percent of the world's GDP, and 44 percent of world trade.

Seven of America's 15 top trading partners are APEC members.

And in 2010, total U.S.-APEC trade was \$2 trillion – a staggering 25 percent increase over 2009.

As significant as this is, we believe there are opportunities to do a lot more trade and commerce together throughout the Asia-Pacific across a variety of industries.

Of course, one of the most promising areas of growth – the one we've gathered to talk about this afternoon – is clean growth.

And I'd like to spend the next few minutes talking about the opportunities and challenges for APEC economies that want to embrace clean growth.

Whenever people begin discussing the economic potential of clean energy or clean growth, we inevitably hear the phrase “green jobs.”

And unfortunately, some who are hostile to clean energy investment have taken to deriding green jobs as little more than a marketing tool contrived by environmentalists.

As President Obama has said before, there is a lot of misinformation that there's somehow a contradiction between clean energy and economic growth.

That's a false choice.

Consider the fact that a single commercial wind turbine, for instance, uses an amount of steel equivalent to 225 midsize cars, and also contains 8,000 parts, from copper wire and gearboxes to electronic controls.

From the people who form the steel and build the gearboxes to those who assemble the turbines and market them to customers, that's a lot of jobs at every step in the economic value chain.

That's something Montana certainly understands. This state is increasing renewable wind energy at one of the fastest rates in America.

And growing renewable energy industries like wind, solar and biofuels are a critical part of catalyzing clean economic growth.

But that's hardly the only part.

In the next few decades, world economies will need to rebuild and reinvent virtually every industrial activity – from power generation and transportation to manufacturing and construction – to succeed in an energy environment that looks drastically different than the one we've grown used to.

For well over a hundred years, much of the world enjoyed two luxuries that helped propel the greatest burst of sustained economic growth in human history.

Number one -- fossil fuels were cheap and abundant.

And number two – we either didn't know about or didn't care about the greenhouse gas emissions caused by burning those fuels.

Those days are over.

Fuel is no longer cheap. And the cost of those emissions are ferociously high -- if we don't curb the carbon, we imperil the planet.

So when we talk about the potential of job creation arising from clean energy investments, we're not just talking about someone who would work for a solar or wind company.

We're talking about creating an entirely new way of economic growth.

We're talking about millions of new blue and white collar jobs:

- Engineers developing and designing energy-efficient lighting, meters, and factory processes;
- Mechanics rebuilding rickety electric grids with sensors and controls that monitor and distribute clean energy more effectively;
- Construction workers producing and installing green building materials;
- Environmental consultants helping companies and governments improve emissions and energy monitoring; and
- Plumbers and technicians who install smarter irrigation systems to feed fields producing next-generation bio-fuels.

We're talking about companies like the one many of us are going to visit tomorrow morning – West Paw Design in Bozeman – which has built a state-of-the-art energy-efficient facility to manufacture its high-quality dog and cat toys, accessories, and apparel.

The potential new business and new job creation in front of us is astounding.

To cite just one potential example, look at the growth prospects for making our buildings greener.

In the United States, buildings consume 40 percent of energy and 73 percent of electricity.

They are responsible for about 39 percent of carbon emissions – more than the transportation or industrial sectors.

It's no surprise then that greening these buildings can create immense economic opportunity, with the overall green building market projected to reach as much as \$140 billion worldwide by 2013.

Of course, the question is how do we get from here to this promising, cleaner future?

A big part of the answer lies with the small and medium enterprises we are trying to empower this week.

We can't predict what technologies or innovations are going to completely change the game on energy or efficiency.

But we *do* know that when these bursts of innovation happen, there's very likely to be an entrepreneur that's responsible.

They are the people who are willing to mortgage their houses, work 100-hour weeks and throw caution to the wind in the pursuit of an idea.

Some entrepreneurs go on to build huge multinational companies. Most don't.

Most go on to lead small businesses that are responsible for two out of every three new jobs in the world.

Consider the fact that small businesses in America generate 15 times more patents-per-dollar in R&D than large firms in America

Or that they also employ more scientists and engineers than America's universities and federal laboratories combined.

This is why APEC member economies need to put the empowerment of small businesses at the very center of our economic agendas.

The Department of Commerce has attempted to do this by creating online tools and programs that make it easier for small and medium enterprise to enhance their global competitiveness.

Our Sustainable Business Clearinghouse provides an easy to use, online portal where U.S. businesses can search from over 900 government programs that support green business practices.

We're also developing a Sustainable Manufacturing 101 module, designed to enhance smaller companies' familiarity with green business practices and methods.

And we've worked closely with the OECD to develop a Sustainable Manufacturing Metrics Toolkit to make it easier for smaller companies to measure and communicate their clean growth successes.

I don't think there's any question that APEC member economies greatly value the power of thriving small businesses -- especially when it comes to spurring clean growth.

But the International Trade Commission and the Organization for Economic Cooperation and Development have identified a number of hurdles that small companies continue to confront in the APEC region.

These hurdles include:

- Excessive transportation costs and customs clearance delays;
- Difficulty protecting intellectual property and taking advantage of preferential tariff rates and other aspects of trade agreements; and
- Lack of access to financing and information.

That's why meetings like this are so important. Working together, we can find ways to make it easier, cheaper, and faster for SMEs to do business in the Asia-Pacific region.

Our key SME objectives during the APEC 2011 USA host year include:

- Strengthening economic integration in the region by removing barriers to trade and investment;
- Creating an open and transparent business environment; and,
- Establishing a regulatory framework that expands opportunities across the board for companies of all sizes.

We've obviously got a lot of disparate issues to deal with this week. But as we move forward in our discussions, I think it's always important to keep one question front and center.

Are APEC member economies pursuing policies that unleash innovation and enable entrepreneurs?

That needs to be our North Star.

Muhammad Yunus, the Bangladeshi founder of Grameen Bank and winner of the 2006 Nobel Peace Prize, once said, "We are all entrepreneurs. Only some of us are lucky enough to discover it."

The job of APEC policymakers is to help create an environment that supports the risk-taking and innovation that will be so important to promoting clean growth in the years to come.

I'd like to close with a little thought exercise that I think perfectly encapsulates the power of one man or woman with an idea.

The power of the entrepreneur.

Imagine for a moment if Steve Jobs, the co-founder of Apple Computers, never went into his garage in the late 1970s to start tinkering with building a home computer.

Imagine if he listened to the naysayers instead of his own heart.

There certainly were plenty of people who would have thought he was crazy.

In the same year that Jobs incorporated Apple, the Chairman and Founder of Digital Equipment Company --which was then one of the most accomplished technology companies in the world -- famously said: "There is no reason anyone would want a computer in their home."

If Jobs had gotten discouraged or if he thought the barriers to launching a business weren't worth the trouble, the world wouldn't have Apple Computers and our iPhones and iPads, which would certainly be too bad.

But the people of Shenzhen, China who put together the iPhone, wouldn't have their jobs today either.

Nor would the engineers and advertisement executives, nor any number of other employees who work on Apple related products have the type of jobs they have.

What's more, there are hundreds or even thousands of computer engineers across the globe who have created the software for the more than 100,000 applications that have been designed for the iPhone.

Without the iPhone platform, these applications and those jobs wouldn't exist.

Thirty years ago, one person pursued his dream to build a home computer and because Steve Jobs made that decision, billions of dollars in economic value has been created and tens of thousands of people have well paying jobs.

That's the power of an entrepreneur.

In every one of our economies, we have entrepreneurs and inventors bristling with new ideas to solve our energy challenges...to put us on a path to clean growth.

Some of them may be here in this room, or perhaps they are in Australia or Singapore or Chile...the Steve Jobs of biofuels or electric cars or building materials.

We've got to give them the tools to succeed a matter where they live. And I hope we can create more of those tools this week.

Thank you.